

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **VICE CHAIRMAN LANE L. LARSON**, on January 11,
2005 at 8:00 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Sen. Lane L. Larson, Vice Chairman (D)
Sen. Rick Laible (R)
Rep. Jon C. Sesso (D)
Sen. Corey Stapleton (R)
Rep. Janna Taylor (R)

Members Excused: Rep. John Sinrud, Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Mike Cooney (D)

Members Absent: None.

Staff Present:

Greg DeWitt, Legislative Branch
Esther Poor, Committee Secretary
Transcribed by Jamie Mickelson

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 2 - Department of Transportation
Executive Action:

HEARING ON THE DEPARTMENT OF TRANSPORTATION

VICE CHAIRMAN LARSON called the meeting to order.

STATE MOTOR POOL Page A-125

Jim Lynch, Director of the Montana Department of Transportation (DOT), introduced John Blacker, the Administrator of Maintenance Program at DOT.

Mr. Blacker gave a brief overview of the State Motor Pool. He stated that the program's main function is to provide cars for State departments. He stated that the Motor Pool is a proprietary fund and it is a revolving account. He asked the Committee to turn to Page A-125, and he explained Figure 7.

Mr. Blacker explained that the figure shows the percentage reduction of rates State agencies will see in the upcoming biennium. He informed the Committee that they are approving rates, not decision packages.

Discussion:

SEN. LAIBLE commented that last session there was difficulty with potentially unsafe vehicles. He asked if that problem has been eliminated. **Mr. Blacker** stated that all of the potentially unsafe vehicles have been eliminated, and that there is a replacement schedule. He stated that there is a model of the replacement schedule of vehicles on Page A-125.

Mr. Blacker commented that when the Department is ready to recycle old vehicles, they try to sell them at 30% of the original cost, and the revenue goes back into the Motor Pool Program.

SEN LAIBLE questioned if there is enough revenue generated into the account to replace and maintain the vehicles on an ongoing basis. **Mr. Blacker** confirmed there is enough.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 10}

Mr. Blacker stated that there are some old vehicles that are State vehicles, but that are not Motor Pool vehicles.

Greg DeWitt, LFD, stated that the Motor Pool is a proprietary funded program, the Committee members may want to understand the expenditures and the revenue being generated. He suggested that the Committee members may want to ask the Department what the major issues affecting the funding may be.

Mr. Blacker replied that some of the major difficulties surrounding this program have been projection of fuel costs, and what the interest rates will be.

REP. SESSO asked Mr. Blacker if the Motor Pool would be a more effective program if State departments did not own their own vehicles, and if they were all Motor Pool vehicles. **Mr. Blacker** replied that the Motor Pool does not provide vehicles that accommodate special needs. The Department always performs studies to compare costs with private sectors.

Mr. Blacker commented that some in the Motor Pool cars do not get replaced until 208,000 miles, and overall the replacement program spends a lot of time under the microscope.

SEN. LAIBLE asked how many cars in the Motor Pool are assigned to individuals. **Mr. Blacker** stated that he does not have those exact numbers, but about 80% of the cars are assigned to an individual.

{Tape: 1; Side: A; Approx. Time Counter: 10 - 21}

SEN. LAIBLE asked if it would be beneficial to the State to provide them with car allowances, rather than a car. **Mr. Blacker** replied that the State mileage rate is 50% less than the Federal revenue standards and three cents less. He commented that with an allowance there is insurance and liability and the upkeep of the vehicle by the owner.

SEN. LARSON stated that he has worked for two different companies. In one company the vehicle was provided; and in the other company there was an allowance given. He commented that the only thing that he does not like about a company vehicle is that there is a maintenance schedule. What a maintenance schedule was for him was different for what the company considered maintenance.

REP. SESSO asked when the Department replaces vehicles, if all vehicles get put into the pool, or if they go to other agencies and some individuals. **Mr. Blacker** stated that there are agencies that are still allowed to do their own purchases; however, many of the vehicles stay with the Department and some are assigned to individuals.

{Tape: 1; Side: A; Approx. Time Counter: 21 - 30}

REP. TAYLOR asked if the Motor Pool would want to pursue more specialty vehicles, like university vehicles. **Mr. Blacker** stated that he is very pleased with the business that the program does currently and that he would not turn more agencies down.

Mr. DeWitt stated that the rates on the vehicles in Motor Pool Lease provide: gas, tires, and maintenance, oil, and basic insurance. He commented that if an agency wants more than basic insurance then the agency pays their own.

Mr. Blacker commented if the Department finds an agency that is not putting miles on their vehicles, then the Department pulls the vehicles and gives the agency a vehicle with higher mileage and find a usage for the newer vehicle.

SEN. LARSON stated that the Committee is closing the hearing on the State Motor Pool Program.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 5.5}

HEARING ON EQUIPMENT PROGRAM

Mr. Blacker stated that there are about 600 pieces of equipment within in this program. There are two rates that are involved in this program, the assigned rates and the usage rates. He commented that the equipment is basically rented from themselves, and it is a revolving fund. He stated that the Committee needs to approve a rental rate and currently there are over 820 different rental rates. He explained that in the past the Committee has approved a 60-day working capital as the rate.

AERONAUTICS DIVISION Page A-134

Debbie Alke, Administrator of the Aeronautics Division at DOT, gave a brief presentation on the handout labeled, "Aeronautics Division." She also gave a brief description of decision packages: 210, 212, 213, 214, 215, 208, and 209.

EXHIBIT(jgh07a01)

REP. TAYLOR asked if the funding in DP 212 included purchasing unsafe courtesy cars. **Mrs. Alke** stated that this DP provides funding to get courtesy cars at small airports where there is no other form of public transportation between the airport and the community.

Mr. DeWitt explained that the funding for this DP came out of a bill two sessions ago.

{Tape: 1; Side: B; Approx. Time Counter: 5.5 - 15.5}

REP. TAYLOR asked if the funding in DP 214 is one-time-only (OTO). **Mrs. Alke** stated that it is not OTO money.

SEN. COONEY entered the meeting at 8:50 A.M.

SEN. COONEY asked what the aircraft is used for in DP 208. **Mrs. Alke** replied that the aircraft is used for division transport and travel. She stated that the request is for one-time-only funding.
{Tape: 1; Side: B; Approx. Time Counter: 15.5 - 21}

Mr. DeWitt stated that the Department is moving into the proprietary side of the program. He explained that this program is funded like a business. He informed the Committee that based on statute, the legislature doesn't approve rates for enterprise-type proprietary funds so this section is relatively informational.
{Tape: 1; Side: B; Approx. Time Counter: 21 - 25}

MOTOR CARRIER SERVICE DIVISION Page A-131

Mr. DeWitt explained that this program is entirely funded by HB 2 and it does have a change in the second submission. He stated that there should be a new table for their agency budget that replaces the first table prior to Page A-131.

EXHIBIT(jgh07a02)

Drew Livesay, DOT, gave a brief overview of the major budget highlights, which include:

- Statewide present law adjustments
- Funding for base year levels of overtime and differential pay.
- Increased funding for credit card fees
- New costs for operations and maintenance of a new joint port-of-entry on the the Montana and Wyoming border
- Moving the Motor Carriers Safety Assistance Program(MCSAP) to the department from the Department of Justice
- The addition of MCSAP would add 11.50 FTE by the end of the biennium

Mr. Livesay also reviewed the decision packages: 2201, 2202, 2203, 2204, and 2205.

Mr. Livesay also explained the handout labeled," Transfer MCSAP from the Department of Justice (NP-2205)." He stated that this was by mutual agreement between the Department of Justice, the Department of Transportation and the Governor's Office, to consolidate all commercial motor vehicle regulation functions to one group.

EXHIBIT(jgh07a03)

{Tape: 1; Side: B; Approx. Time Counter: 25 - 30}

TRANSPORTATION PLANNING PROGRAM Page A-141

CHAIRMAN SINRUD entered the meeting at 9:10 A.M.

Sandra, Straehl, Administrator of the Transportation Planning Program for DOT, gave a brief overview of the program's budget highlights. The program also highly depends on grants to procure or construct transit facilities, purchase transit vehicles, and operate transit vehicles in rural areas.

SEN. LAIBLE asked her how much there is in the grant fund currently. **Mrs. Straehl** stated that the fund currently has \$338,704.

Mrs. Straehl reviewed the decision packages on Page A-142 through A-143 with the Committee. The decision packages were: 5001, 5005, 5006, 5008, 5009, 5010.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 13}

Mrs. Straehl gave a lengthy presentation on DP 5010. She discussed that the increase of \$62,366 State Special Revenue and \$249,468 Federal Special Revenue for the biennium are requested to provide metropolitan planning grants to Billings, Great Falls, and Missoula to conduct transportation planning in these urbanized areas. She stated that the transportation plans need to be updated every three years, so this money is not one-time-only.

REP. SESSO asked if the Department can use additional dollars from the grant to fund land use planning because this function is important in areas of growing land use. He stated that a typical city pays 50% of their transportation plan, which includes a model and socioeconomic data. **Mrs. Straehl** stated that this grant can't be used as a link between DOT and local government; there is no assurance that the local governments would use the funds for transportation.

CHAIRMAN SINRUD asked what effect a 101 and a 102 zoning district has on transportation. **Mrs. Straehl** stated that the Department sees enormous effects because of zoning. When they plan construction, every plan that they make needs to work around zoning, because the Department does not have land use authority.
{Tape: 2; Side: A; Approx. Time Counter: 0 - 30}

Mrs. Straehl gave a brief overview on DP 5007. She stated that it is a new proposal for Corridor Studies. She informed the Committee that this is an expensive study. The Department will

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evaluate the existing transportation system on U. S. Highway 93 and see how they can meet the long-term safety and efficiency for travel on this highway.

CHAIRMAN SINRUD asked Mr. Lynch about the life of a road if this study includes the capacity to move vehicles, or the means for the road to be redone. **Mr. Lynch** replied that it means both.

CHAIRMAN SINRUD closed the meeting and stated that executive action on the Department of Transportation will take place on 1/12/05 at 8:00 A.M.

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ADJOURNMENT

Adjournment: 9:40 A.M.

REP. JOHN SINRUD, Chairman

ESTHER POOR, Secretary
Transcribed by JAMIE MICKELSON

JS/jm

Additional Exhibits:

EXHIBIT ([jgh07aad0.TIF](#))